

COUNTY OF SAN BERNARDINO REDEVELOPMENT AGENCY



TEN YEAR HOUSING IMPLEMENTATION PLAN

VICTOR VALLEY ECONOMIC DEVELOPMENT AUTHORITY REDEVELOPMENT PROJECT

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1.0 INTRODUCTION

Redevelopment Agencies, pursuant to Section 33413(b)(4) of California Redevelopment Law (CRL), are required to prepare a plan to meet the redevelopment project area Housing Production Requirements for each project area over each successive 10-year period of the redevelopment program. While the Housing Production Requirement is a separate major affordable housing obligation, when possible it can be coordinated and prepared as part of the affordable housing portion of a Redevelopment Agency's AB 1290 Implementation Plan. The Housing Implementation Plan for the Victor Valley Redevelopment Project Area provided herein, meets the Housing Production Plan requirements outlined in Section 33413(b)(4) of CRL. The Plan provides estimates of:

- Number of new or rehabilitated residential units to be developed within the Project Area;
- Number of units for very low-income and low- and moderate-income households to be developed by private and public agencies other than the Redevelopment Agency;
- Agency-developed units to be developed in the next 10 years; and
- Number of Agency developed units to be developed to meet the affordable housing requirements.

This Plan also provides a strategy for the actual production of the required number of units during the 10-year compliance period. The Plan has also been developed to be consistent with the County of San Bernardino's Housing Element.

The Legislative Body of the Victor Valley Economic Development Authority ("VVEDA") approved and adopted the Redevelopment Plan for the 1993 Victor Valley Redevelopment Project (the "Redevelopment Plan" or "Plan") on December 28, 1993 by Ordinance No. 2. The Redevelopment Plan was amended on December 28, 1994, by Ordinance No. 4 to establish the time limit that enables VVEDA to collect tax increment revenues for up to 40 years following the Redevelopment Plan's adoption date. The Plan was amended again on June 11, 1997 by Ordinance No. 5 to utilize the 1994-95 fiscal as the base year for the purpose of establishing the assessed valuations for properties within the 1993 Victor Valley Redevelopment Project Area ("Project Area") until such time as the San Bernardino County Assessor certifies that the assessed values for the Project Area equal or exceed the assessed value in the initial base year.

The 1998 Amendment to the Redevelopment Plan amended the Plan on April 22, 1998, by Ordinance No. 7 and allowed for the power of eminent domain in certain primarily nonresidential areas in the Project Area, which were located within the jurisdiction of the Town of Apple Valley and the County unincorporated territory. The Fourth Amendment to the Redevelopment Plan adopted on July 12, 2000, added Territory to, the Project Area within the jurisdictions of the Cities of Adelanto and Victorville, as well as County unincorporated territory.

The Project Areas currently encompass approximately 60,000 acres and includes both developed and undeveloped land within the boundaries or the eight-mile radius of former George Air Force Base ("GAFB") (now known as Southern California Logistics Airport) as permitted by special redevelopment legislation regarding military base closures. The Project Area includes territory within the cities of Victorville, Adelanto, Hesperia, the Town of Apple Valley, and unincorporated territory within the County of San Bernardino, as seen in Appendix A.

The 2003 Amendment to the Redevelopment Plan for the 1993 Victor Valley Redevelopment Project - Amendment No. 5 ("2003 Amendment") made certain changes to the text of the Plan. These changes allowed for the acquisition of property through the exercise of the power of

Eminent Domain in the areas listed below which comprise the 2003 Amendment Areas. The changes made by the 2003 Amendment were not to be construed to amend, change, modify or effect in any way the text of the Redevelopment Plan as it applies to the territory within the boundaries of the 1993 Victor Valley Redevelopment Project with the exception of the following described properties which were specifically listed and shown in the 2003 Amendment No. 5.

The portion of the proposed 2003 Amendment Area in the City of Adelanto is generally described as that area in the City of Adelanto lying southerly of Desert Flower Road, northerly of De Soto Avenue, westerly of Vinton Road and easterly of Lessing Avenue and that area in the City of Adelanto lying southerly of Oleander Street, easterly of Aster Road, westerly of Adelanto Road and northerly of Calleja Road.

The portion of the proposed 2003 Amendment Area in the County unincorporated area is generally described as that area in the unincorporated portion of the County of San Bernardino abutting the City of Adelanto, lying southerly of Oleander Street, easterly of Caughlin Road, northerly of De Soto Road and westerly of Topaz Road.

The portion of the proposed 2003 Amendment Area in the City of Victorville is generally described as the area in the city of Victorville bounded on the east by the Mojave River and National Trails Highway, bounded on the south by Air Expressway, bounded on the west by Adelanto Road and the boundaries of Southern California Logistics Airport (former George Air Force Base) and on the north by Desert Flower Road.

2.0 REDEVELOPMENT PLAN GOALS

VVEDA's prime purpose and function in the adoption of its Redevelopment Plan is to provide the mechanism and funding to: (1) acquire the Air Base and facilitate the successful reuse of the property; (2) ensure that adequate access exists to and from the major transportation systems and the Air Base; and (3) promote economic development within the area surrounding the Air Base. Therefore, implementation of the Redevelopment Plan is intended to achieve the following goals:

1. To pursue the successful reuse and development of the Air Base and its facilities.
2. To assist the Participating Jurisdictions in pursuing programs for job retention and job creation.
3. To assist the Participating Jurisdictions in pursuing programs for economic development and economic diversification.
4. To provide tools that will assist in the pooling of resources by the Participating Jurisdictions so that they can better attack the problems of blight elimination, improvement of the infrastructure and expansion of the regions economic base.
5. To provide adequate roadways, to correct street alignment problems, to eliminate road hazards and to provide adequate access to freeways.
6. To eliminate and prevent the spread of blight and deterioration and to conserve, rehabilitate, and redevelop the Project Area in accordance with the Redevelopment Plan and future Annual Work Programs.
7. To encourage the cooperation and participation of resident, businesspersons, public agencies and community organizations in the revitalization of the Project Area.
8. To encourage the investment of the private sector in the full development of the Project Area.
9. To provide needed improvements to the community's education, cultural and other community facilities to better serve the Project Area.
10. To promote public improvement facilities which are sensitive to the unique environmental qualities of the Project Area.
11. To establish a program that promotes the rehabilitation of the existing housing stock where appropriate.
12. To remove impediments of land assembly and development through acquisition and reparcelization of land into reasonably sized and shaped parcels served by an improved street system and improved public facilities.
13. To expand the resource of developable land by making underutilized land available for development.
14. To control unplanned growth by guiding new development to meet the needs of the community as reflected in the Redevelopment Plan and the Annual Work Program.

15. To alleviate certain environmental deficiencies, including substandard vehicular and pedestrian circulation systems and other similar public improvements.
16. To alleviate local drainage conditions that constrain the development of various parcels in the Project Area, the cost of which cannot be borne by private enterprise acting alone.
17. To achieve an environment reflecting a high level of concern for architectural, landscape and urban design principles appropriate to the objectives of the Redevelopment Plan.
18. To make provisions for housing as is required to satisfy the needs and desires of the various age and income groups of the community, maximizing the opportunity for individual choice, and meeting the requirements of State law.
19. To develop safeguards against noise and pollution and to enhance the industrial/commercial community.
20. To coordinate revitalization efforts in the Project Area with other public programs of the impacted jurisdiction and Participating Jurisdictions and surrounding area.
21. To upgrade the existing industrial uses in the Project Area and provide for new uses to replace industrial uses lost through the Air Base closure.
22. To maintain technical expertise in the area which would be potentially lost through the closure of the Air Base.

3.0 PROVISION OF LOW- AND MODERATE-INCOME HOUSING

The following sections are from the adopted Redevelopment Plan. Italics are from recent changes to state law.

3.1 Definition of Terms

The terms "affordable housing cost", "replacement dwelling unit", "persons and families of low or moderate income" and "very low income household" as used herein shall have the meanings as defined by the Redevelopment Law and other State and local laws and regulations pertaining thereto.

3.2 Authority Generally

VVEDA may, inside or outside the Project Area, acquire land, donate land, improve sites, or construct or rehabilitate structures in order to provide housing for persons and families of low or moderate income.

3.3 Replacement Housing

Whenever dwelling units housing persons and families of low or moderate income, as defined by the Redevelopment Law, are destroyed or removed from the low and moderate income housing market as part of a redevelopment project, VVEDA shall, within 4 years of such destruction or removal, rehabilitate, develop or construct or cause to be rehabilitated, developed or constructed, for rental or sale to persons and families of low or moderate income, an equal number of replacement dwelling units at affordable housing costs within the territorial jurisdiction of VVEDA's Participating Jurisdictions,

One hundred percent (100%) of the replacement dwelling units shall replace dwelling units available at affordable housing cost in the same income level of very low income households, low income households, lower income households, and persons and families of low and moderate income as the persons displaced from those destroyed or removed units. VVEDA may replace destroyed or removed dwelling units housing persons and families of low or moderate income with a fewer number of dwelling units if the units have a greater or equal number of bedrooms and are available to the same low and moderate income groups.

3.4 New or Rehabilitated Dwelling Units Developed Within the Project Area

Pursuant to Section 33413 of the Redevelopment Law, at least thirty percent (30%) of all new or rehabilitated dwelling units developed within the Project Area by VVEDA shall be available at affordable housing costs to persons and families of low or moderate income; of such thirty percent (30%), not less than fifty percent (50%) thereof shall be available to and occupied by very low income households. At least fifteen percent (15%) of all new or rehabilitated units developed within the Project Area by public or private entities or persons other than VVEDA shall be available at affordable housing costs to persons and families of low or moderate income; and of such fifteen percent (15%), not less than forty percent (40%) thereof shall be for very low income households. The percentage requirements set forth in this Section shall apply independently of the requirements of Section 3.3 above (Section 535 of the VVEDA Redevelopment Plan) and in the aggregate to the supply of housing to be made available pursuant of this Section and not to each individual case of rehabilitation, development or construction of dwelling units.

VVEDA shall require, by contract or other appropriate means, that whenever any low and moderate income housing units are developed within the Project Area, such units shall be made available on a priority basis for rent or purchase whichever the case may be, to persons and families of low and moderate income displaced by a redevelopment project; provided, however, that failure to give such priority shall not affect the validity of title to the real property upon which such housing units have been developed.

3.5 Duration of Dwelling Units Availability

VVEDA shall require that the aggregate number of dwelling units rehabilitated, developed or constructed pursuant to Sections 3.3 and 3.4 above (Sections 535 and 536 of the Redevelopment Plan) shall remain available for persons and families of low and moderate income and very low income households, respectively, for not less than the period set forth in Section 1000 of the Redevelopment Plan (30 years) for the duration of this Redevelopment Plan. State law requires that assisted units remain affordable for 55 years for rental units and 45 years for owner occupied units.

3.6 Relocation Housing

If insufficient suitable housing units are available in the Project Area for use by persons and families of low and moderate income displaced by a redevelopment project, VVEDA may, to the extent of that deficiency, direct or cause the development, rehabilitation or construction of housing units within the territory encompassed by VVEDA's Participating Jurisdictions, both inside and outside the Project Area.

3.7 Deferral of Housing Funds

Pursuant to Section 33320.5(e) of the Redevelopment Law, VVEDA has determined that it is not necessary to defer the deposit of the twenty percent (20%) of taxes allocated to VVEDA pursuant to Section 33670 of the Redevelopment Law into the Low and Moderate Income Housing Funds as required by Section 33334.2.

3.8 Increased and Improved Supply

Pursuant to Section 33320.5(e) and 33334.2 of the Redevelopment Law, not less than twenty percent (20%) of all taxes which are received by VVEDA pursuant to subdivision (b) of Section 33670 of the Redevelopment Law and this Redevelopment Plan shall be allocated and used by VVEDA for the purposes of increasing and improving the supply of low and moderate income housing available within the territories of the Participating Jurisdictions at affordable housing costs, as defined by Section 50052.5 of the Health and Safety Code, to persons and families of low or moderate income, as defined in Section 50093 of the Health and Safety Code, and very low income households, as defined in Section 50105 of the Health and Safety Code, unless one or more of the following findings are made annually by resolution: (1) that no need exists in the Participating Jurisdictions to improve or increase the supply of low and moderate income housing in a manner which would benefit the Project Area and this finding is consistent within the housing element of the Participating Jurisdictions' General Plans; or (2) that some stated percentage less than twenty percent (20%) of the taxes which are allocated to VVEDA pursuant to subdivision (b) to Section 33670 is sufficient to meet such housing need of the community and that this finding is consistent with the housing elements of the Participating Jurisdictions' General Plans; or (3) that the Participating Jurisdictions are making a substantial effort to meet their existing and projected low and moderate income housing needs, particularly very low income housing needs, including its share of the regional needs as identified in the housing elements of the Participating Jurisdictions' General Plans and that this effort, consisting of direct financial contributions of local funds, is used to increase and improve the supply of housing

affordable to families of low to moderate income and very low income households and is equivalent to in impact to the funds otherwise required to be set aside pursuant to Section 33334.2 of the Redevelopment Law.

In implementing Section 540 of the Redevelopment Plan, VVEDA may exercise any or all of its powers, including, but not limited to, the following:

1. Acquire real property or building sites.
2. Improve real property or building sites with onsite or offsite improvements, but only if either (a) the improvements are made as part of a program which results in the new construction or rehabilitation of affordable housing units for low or moderate income persons that are directly benefited by the improvements; or (b) VVEDA finds that the improvements are necessary to eliminate a specific condition that jeopardizes the health or safety of existing low or moderate income residents.
3. Donate real property to private or public persons or entities.
4. Finance insurance premiums.
5. Construct buildings or structures.
6. Acquire buildings or structures.
7. Rehabilitate buildings or structures.
8. Provide subsidies to, or for the benefit of, very low-income households, as defined by Section 50105 of the California Health and Safety Code, lower income households, as defined by Section 50079.5 of the California Health and Safety Code, or persons and families of low or moderate income, as defined by Section 50093 of the California Health and Safety Code, to the extent those households cannot obtain housing at affordable costs on the open market. Housing units available on the open market are those units developed without direct government subsidies.
9. Develop plans, pay principal and interest on bonds loans, advances, or other indebtedness or pay financing or carrying charges.
10. Maintain the Participating Jurisdictions' supply of mobilehomes.
11. Preserve the availability to lower income households of affordable housing units in housing developments which are assisted or subsidized by public entities and which are threatened with imminent conversion to market rates.

VVEDA may use these funds to meet, in whole or in part, the replacement housing provisions in Section 535 of the Redevelopment Plan as restated above. These funds may be used inside or outside the Project Area, provided however; that funds may be used outside the Project Area only if findings of benefit to the Project Area are made as required by Section 33334.2 of the Redevelopment Law.

VVEDA may only expend these funds with prior formal consent of the Participating Jurisdictions within whose territory such projects or programs are to be located.

The funds for this purpose shall be held in a separate Low and Moderate Income Housing Fund until used. Any interest earned by such Low and Moderate Income Housing Fund shall accrue to the Fund.

Any reduced income resulting from the below-market rate sale or lease, grant, or donation of land to private for-profit and nonprofit organizations may be debited to VVEDA's Low and Moderate Income Housing Fund. The amount of any debit shall not be subject to any transfer required by law for failure to expend or encumber the moneys held in a Low and Moderate Income Housing Fund.

3.9 Duration of Affordability

Except as otherwise permitted by law, all new or substantially rehabilitated housing units developed or otherwise assisted with moneys from the Low and Moderate Income Housing Fund pursuant to an agreement approved by VVEDA shall be required to remain available at affordable housing cost to persons and families of low or moderate income and very low income households for the longest feasible time, but for not less than the following periods of time:

- a. Fifty-five (55) years for rental units. However, VVEDA may replace rental units with equally affordable and comparable rental units in another location within the City if (A) the replacement units are available for occupancy prior to the displacement of any persons and families of low or moderate-income residing in the units to be replaced and (B) the comparable replacement units are not developed with moneys from the Low and Moderate Income Housing Fund.
- b. Forty-five (45) years for owner-occupied units. However, VVEDA may permit sales of owner occupied units prior to the expiration of the 10 year period for a price in excess of that otherwise permitted under this subdivision pursuant to an adopted program which protects VVEDA's investment of moneys from the Low and Moderate Income Housing Fund.

VVEDA shall require the recording of covenants or restrictions which implement this Section for each parcel or unit of real property developed assisted or substantially rehabilitated with moneys from the Low and Moderate Income Housing Fund.

4.0 POPULATION, HOUSING AND EMPLOYMENT TRENDS

According to the 1990 Census, resident population within the incorporated Cities in the Victor Valley was 189,646 persons. Population in these Victor Valley Cities reached 194,835 persons by 1998. This indicates an increase of approximately 2.7 percent over the 8-year period. Growth in the region slowed substantially during the 1990s in comparison to the rapid increase in population in the 1980's which was attributable to the relatively low cost of land and housing combined with a willingness of a young population to travel from the Victor Valley to the Los Angeles Basin for employment. Based on SCAG population forecasts, the population in the Victor Valley incorporated Cities is estimated to increase to 379,300 people by the Year 2020. This is a projected increase in population of greater than 94.7 percent over a 20-year period. Specific population numbers for the Redevelopment Area are not available at this time.

The estimated ethnic composition of the Victor Valley is distributed as follows: Non-Hispanic white, 70.1 percent; Hispanic, 19.8 percent; Asian, 2.8 percent; Black 4.6 percent; American Indian/Eskimo/Aleut, .9 percent; Other 1.8 percent. Ethnicity within the Amended Project Area is not presently available, but is assumed to be distributed in a comparable manner.

In 1990, the resident population of the Amended Project Area was estimated to be 55,772 people or 29 percent of the Victor Valley population. For purposes of estimating the existing population within the Amended Project Area, this analysis will assume that the current population within the Amended Project Area is 56,882 persons. This is derived from the 1990 population, plus the estimated current population from the area added to the Amended Project Area (370 residential units x 3 persons per unit).

In 1990, George AFB had 1,639 family housing units on Base and 26 dormitory facilities with a bed capacity of 1,786 beds. Since the closure of the Base as a military operation, this housing stock is currently vacant and in many instances in a state of disrepair.

Housing within the Amended Project Area was calculated at 19,921 units using 1990 Census block group statistics. Housing stock available in the Victor Valley area (RSA 32B) was 70,794 units in 1990. Current Census block information has not been updated since 1990. Housing stock available in the incorporated cities in the Victor Valley in 1990 totaled 51,317 units. This number increased to 69,111 units in 1999 for an overall increase of 34.6 percent over the 9-year period. Vacancy rates in Adelanto, Apple Valley, Hesperia and Victorville are 10.7 percent, 6.5 percent, 4.7 percent and 17 percent, respectively.

No estimate is available for the number of jobs that exist within the Amended Project Area.

5.0 HOUSING/LOW AND MODERATE INCOME ASSISTANCE

As provided by Section 33334.2(a) of the Health and Safety Code, not less than 20 percent of all tax increment allocated to VVEDA shall be used for the purpose of increasing, improving, or preserving the supply of low and moderate income housing.

According to CRL Section 33334.2 (g), an agency may use the low-and moderate-income housing fund outside the project area upon a resolution of the agency and the legislative body that the use will be of benefit to the project area. The Agencies and the respective legislative bodies have passed resolutions in this regarding making a finding such that they will be able to use the low- and moderate-income housing funds generated from the city portion of the Project Area in the City and the County portion of the Project Area outside the Project Area but within the unincorporated portion of the County.

The large number of vacant and abandoned housing units in the Added Area presents a substantial challenge for VVEDA; yet also provides an opportunity to significantly impact the community by providing resources to improve this potential low and moderate-income housing stock and to assist residents with homeownership. In order to meet these objectives, VVEDA may exercise any or all of its powers including, but not limited to the following:

1. Acquire land or building sites.
2. Improve land or building sites with on-site or off-site improvements.
3. Donate land to private or public persons or entities.
4. Construct buildings or structures.
5. Acquire buildings or structures.
6. Rehabilitate buildings or structures.
7. Provide subsidies to or for the benefit of persons or families of very low, low, or moderate income.
8. Develop plans, pay principal and interest on bonds, loans, advances, indebtedness, or pay financing, carrying charges, or insurance premiums.
9. Preserve the availability to lower income households of affordable housing units in housing developments which are assisted or subsidized by public entities and which are threatened with imminent conversion to market rates.

Cost: 20 percent of Tax Increment Revenue estimated to be \$820,225.00

6.0 COUNTY OF SAN BERNARDINO HOUSING ELEMENT GOALS

The County of San Bernardino, in adopting the Housing Element, adopts the goals that follow as the framework for implementing its housing policies and programs over the 5-year time frame of the Housing Element.

Overall Goals

- 1) Develop and maintain structurally sound, sanitary, attractive and affordable housing and living environments for all economic segments of society.
- 2) Develop efficient well-coordinated housing programs relevant to the County that meet the intent of all applicable State and Federal laws.
- 3) Implement strategies aimed at developing a balance between housing and employment opportunities for all residents.
- 4) Develop sufficient infrastructure and services to accommodate existing and planned residential development.

7.0 COUNTY HOUSING ELEMENT GOALS, PROGRAMS AND OBJECTIVES

The goals, policies, programs, and quantified objectives presented below are taken from Section 6 of the County of San Bernardino Housing Element adopted in June 2003, and do not necessarily reflect recommendations adopted by the Mission Boulevard Joint Redevelopment Plan.

GOAL HE-1 Since the implementation of streamlining measures regarding governmental review and standards may facilitate the reduction of housing cost, the following action-programs shall be implemented or pursued:

Housing Program 1-a. Integration of environmental review with the function of the regional planning teams.

Objective: Continue to reduce application processing time and costs by integrating environmental review into the application review process.

Housing Program 1-b. Develop and utilize a Master Environmental Assessment to facilitate the environmental review of housing projects.

Objective: Identify areas of critical environmental concern in all unincorporated areas of the County.

Housing Program 1-c. Continue to give priority to permit processing for projects utilizing the Housing Incentives Program (HIP) when requested.

Objective: Improve and facilitate local government review of low-income housing projects, and continue to reduce processing costs to applicants.

Housing Program 1-d. Implement appropriate recommendations of the Application Process Study, a review of all application procedures and processes in the Planning Division, completed in 2000.

Objective: Continue to reduce application processing time and costs.

Housing Program 1-e. Review the Development Code regularly for possible revisions that would assist in creating more affordable housing and to facilitate establishment of independent senior citizen living centers, shared senior housing and group care homes; review and necessary changes to be combined with any other changes being made to the Development Code.

Objective: Continue to identify ordinances nonessential to health and safety that act as contributing factors to the high cost of housing and assist the development of housing for elderly and handicapped people.

Housing Program 1-f. Review the current housing and infrastructure expenditures and programs of the various departments and agencies to determine where they are implemented geographically, especially whether in cities or in the unincorporated areas, and develop strategies to target the resources where they will most benefit the County.

Objective: Identify and target housing and needed infrastructure resources for the greatest benefit.

GOAL HE-2: Since innovative housing design and construction techniques and energy conservation may reduce the cost of housing without sacrificing quality, the following action programs shall be implemented or pursued:

Housing Program 2-a. Continue to utilize Planned Development density bonus and density transfer provisions as described in the County Development Code to allow creation of lot sizes less than that normally required by residential land use districts.

Objective: Continue to provide for greater flexibility in design of single-family development so as to increase the supply of affordable dwelling units.

Housing Program 2-b. Update the location and design criteria of the planned developments and design review projects and the application forms.

Objective: Improve the planned development and design sections of the Code and the application forms in order to encourage affordability.

Housing Program 2-c. Continue to utilize the minimum residential construction standards for conventional and manufactured housing on individual lots.

Objective: Continue to ensure compatibility in the design and siting standards of all dwelling unit types while reducing costs.

Housing Program 2-d. Continue to allow for temporary dependent housing, per the County Development Code.

Objective: Continue to provide affordable housing for elderly or disabled persons.

Housing Program 2-e. Continue to evaluate residential developments with emphasis on energy efficient design and siting options that are responsive to local climatic conditions and applicable laws.

Objective: Promote energy-efficient development, especially housing, in the unincorporated County area which will help keep power usage/costs lower.

Housing Program 2-f. Continue to designate Planned Development (PD) land use districts where design constraints (such as slope instability or flooding) have been identified. PD classifications will encourage efficient land development by requiring the project to be reviewed by Planning staff through the planned development application process.

Objective: Continue to encourage planned residential development in design-constrained areas.

Housing Program 2-g. Continue to allow second units, as a permitted use on any residential parcel, provided that each unit has the minimum required area as specified by the official land use designation.

Objective: Continue to provide opportunities for the placement of a second dwelling unit provided there is sufficient area.

Housing Program 2-h. Continue to allow mobile home parks in the Single Residential Land Use District at densities specified in the Development Code and in the Multiple Residential Land Use District subject to design guidelines which will ensure compatibility with the natural environment while minimizing potential adverse environmental impacts.

Objective: Continue the construction of new mobile home parks so as to increase the supply of affordable dwelling units in residential areas.

Housing Program 2-i. Continue the Insulation and Weatherization Program for eligible households.

Objective: Provide labor and materials to insulate and weatherize the homes of eligible low-income households.

Housing Program 2-j Encourage the use of energy conservation features in residential construction, remodeling and existing homes.

Objective: Help publicize energy conservation opportunities offered by Southern California Edison. Examples include: replacing old refrigerators, weatherproofing, energy-efficient lighting, cooling (evaporating coolers), and interruptible service.

GOAL HE-3 *Since property maintenance is desirable and can be promoted through information, training, and health and safety code enforcement programs, the following action-programs shall be taken:*

Housing Program 3-a. Continue the voluntary occupancy inspection program available to prospective buyers of residential property and increase public awareness of this program;
Objective: Continue to ensure consumer protection for residential property transactions.

Housing Program 3-b. Utilize Section 17299 of the California Revenue and Taxation Code as a health and safety code enforcement tool for rental units inspected by the Department of Environmental Health Services;
Objective: Continue to encourage compliance of substandard dwelling units with Environmental Health Services Department requests for the upgrading of a structure.

Housing Program 3-c. Continue the CDBG single-family homeowner rehabilitation loan program in order to rehabilitate housing and improve neighborhoods.
Objective: Continue to provide loans to very low-, low-, and moderate-income owner-occupants to correct deficiencies and bring residences up to minimum Housing Quality Standards.

Housing Program 3-d. Continue the CDBG senior and disabled repair program.
Objective: Continue to provide grants for repair of owner-occupied residences of senior and handicapped citizens.

Housing Program 3-e. Inspect rental units in conjunction with the tenant based rental assistance program. Integrate this service with the Housing Authority to ensure subsidized rentals meet code requirements.
Objective: Continue to provide safe and sanitary housing to lower-income households.

Housing Program 3-f. Use and update the County Rehabilitation Guide for inspection of existing renter- and owner-occupied dwelling units to facilitate economical and safe rehabilitation of housing.
Objective: Continue to fund renovation of substandard housing.

Housing Program 3-g. Acquire and rehabilitate low-income rental units with the HOME Rental Property Acquisition and/or Rehabilitation Program.
Objective: Provide loans to both for-profit and non-profit developers of affordable housing to acquire and/or rehabilitate existing low-income rental units.

Housing Program 3-h. Refinance multi-family housing rehabilitation projects with the HOME Rental Property Rehabilitation and Refinance Program.
Objective: Continue to provide funds to refinance existing debt for affordable multi-family housing rehabilitation projects

Housing Program 3-i. Provide targeted code enforcement programs to assist with neighbor and housing unit rehabilitation.
Objective: Continue to provide enforcement on complaints; add target neighborhood program to reduce blight.

Housing Program 3-j. Contract with for-profit and non-profit developers and assist them in acquiring and rehabilitating vacant HUD and VA repossessed properties. These houses will be resold at affordable prices to first-time and other homebuyer families.
Objective: Reduce neighborhood blight by improving vacant properties and make recycled affordable housing available to homebuyers.

GOAL HE-4 Since the preservation of existing housing stock is important in providing housing opportunities for all income levels, housing and community rehabilitation programs shall be established and implemented through the following action programs:

Housing Program 4-a. Encourage and assist local lending institutions in implementing the Community Reinvestment Act.

Objective: Continue to encourage participation by all lending institutions in the County.

Housing Program 4-b. Preserve units at risk of being lost to lower income households through completion of their federal subsidies and affordability covenants or contracts by developing various kinds of incentives or other programs.

Objective: Offset the loss of federally subsidized housing units in the County that are nearing fulfillment of their original financial commitment.

Housing Program 4-c. Continue to preserve affordable units at-risk of being lost to the stock due to expiring contracts, covenants, agreements, etc., through the use of other incentives and programs.

Objective: Maintain the existing stock of affordable housing beyond current contracted affordability periods.

Housing Program 4-d. Preserve historic structures through the use of various federal and state tax incentive and other programs.

Objective: Provide preservation information and assistance to the owners of historic structures.

GOAL HE-5 Since the housing needs of all economic segments of the population are not currently served by the housing market, the following voluntary incentives, strategies and action-programs shall be implemented to stimulate the market sufficiently that will fulfill this unmet need:

Housing Program 5-a. Continue to promote the use of the Housing Incentives Program (HIP).

Objective: Continue to stimulate construction of affordable new residential developments of five or more units within the unincorporated County areas, including senior housing.

Housing Program 5-b. Continue to implement the Housing Incentives Program (HIP) such that it would encourage the phasing of affordable housing in large planned developments when the density bonus incentive has been implemented.

Objective: Continue to encourage phasing of affordable units in all future multiphased housing developments that include affordable housing.

Housing Program 5-c. Use federal and state funding programs to assist mobile home purchase and rental.

Objective: Continue to assist prospective owners and renters in funding the purchase or rental of mobile homes.

Housing Program 5-d. Identify and use surplus public land to assist in the provision of housing that is affordable to lower income groups.

Objective: Continue to increase the number of affordable housing sites.

Housing Program 5-e. Provide information and assistance to help relocate displaced individuals, including former residents of units converted from renter to owner occupancy status.

Objective: Continue to educate displaced individuals needing housing information.

Housing Program 5-f. Identify sites for affordable housing in the various planning areas of the County.

Objective: Direct and encourage the construction of affordable housing in the planning areas

Housing Program 5-g. Continue to pursue opportunities to acquire and “bank” sites, as necessary, to be used for affordable housing.

Objective: Purchase properties for affordable housing development and exchange County-owned sites in planning areas needing affordable housing. Use sites in conjunction with other subsidy programs.

Housing Program 5-h. Continue to form partnerships with nonprofit organizations, public agencies, other community based organizations, and housing developers in order to increase ownership opportunities for very low and low-income households.

Objective: Produce additional homeownership opportunities for lower income households in collaboration with nonprofits such as Housing Partners I (HPI), redevelopment agencies, and bond-financed single-family housing developers.

Housing Program 5-i. Continue Single-Family Mortgage Revenue Bond (MRB) Homebuyer Assistance Program.

Objective: Continue to increase ownership opportunities for households which have difficulty in obtaining traditional financing. Bonds are repaid from property owners’ mortgage payments.

Housing Program 5-j. Continue to support Lease Purchase Homeownership Assistance Programs.

Objective: Assist people in their transition to homeownership through a program requiring them to lease the home for 3 years. A portion of the lease payments are applied to their equity in the home -purchased at the end of the 3-year period.

Housing Program 5-k. Continue to support Home Ownership Assistance Programs.

Objective: Provide down payment, closing cost, and gap financing assistance for eligible prospective homebuyers through various funding sources.

Housing Program 5-l. Welfare-to-Work Program

Objective: Continue to provide assisted housing to persons receiving other assistance from Jobs and Employment Services Department and the Transitional Assistance Department.

Housing Program 5-m. Mainstream Program

Objective: Continue to provide assisted housing to persons with disabilities to enable them to rent suitable and accessible housing on the private market.

Housing Program 5-n. CHDO New Construction, and Acquisition/Rehabilitation Programs.

Objective: Provide funds for use by Community Housing and Development Organizations for new construction, acquisition, and/or rehabilitation of affordable rental housing.

Housing Program 5-o. Section 8 Housing Certificates/Vouchers

Objective: Continue to provide Section 8 Certificates and Vouchers to all low-income renters to obtain housing.

Housing Program 5-p. Public Housing Program

Objective: Continue to own, manage, and construct public housing units for lower income households. As practicable, directly assist eligible households transition to homeownership through Section 8 homeownership assistance.

Housing Program 5-q. Tenant Based Assistance—Monthly Rental Subsidy Program

Objective: Continue to provide interim assistance to eligible households identified by the Housing Authority of the County of San Bernardino, program administrator.

Housing Program 5-r. Tenant Based Assistance—Security Deposit Program

Objective: Continue to provide security deposit and/or utility payment assistance to tenants who lack the funds to obtain, or avoid being displaced from, decent rental housing.

Housing Program 5-s. Mortgage Revenue Bond Financing—Multi-family Rental Units

Objective: Encourage the development of multi-family rental units by using mortgage revenue bonds to finance/refinance construction, acquisition, mortgage loans and capital improvements.

Housing Program 5-t. Continue working with developers to submit proposals for funding assistance to facilitate special needs housing. Examples include Section 202 program funds for senior and disabled housing projects, and SUPERNOFA Homeless Program grant funds.

Objective: Ensure availability of housing to serve special needs populations.

Housing Program 5-u. Family Unification Program

Objective: Continue to promote family unification by providing housing assistance to families for whom the lack of adequate housing is a primary factor in the separation of children from their families.

GOAL HE-6 Since it is desirable to prevent discrimination in housing, the following action-programs shall be established:

Housing Program 6-a. Continue to fund the Fair Housing Program.

Objective: Continue to educate residents, landlords, agency staffs, lenders, realtors, sellers, and homebuyers about anti-discrimination laws/practices regarding rented or purchased housing.

Housing Program 6-b. Landlord/Tenant Mediation

Objective: Continue to provide landlord/tenant counseling, information on mediation, and education on existing laws and regulations. Assist in resolving disputes. Continue to promote information services that consist of referring individuals with complaints to the appropriate agency, assisting individuals in finding adequate housing, and providing other help as required.

GOAL HE-7 Since it is necessary for each community within the County to provide a variety of housing opportunities in an affordable price range, commensurate with the population and income classification of the County, the following action-programs shall be implemented:

Housing Program 7-a. Identify the County's projected fair share of affordable housing development in consideration of and with relation to other jurisdictions within the region and state, as well as from a comprehensive planning perspective.

Objective: Continue to encourage the equitable distribution of affordable housing in the Southern California region.

Housing Program 7-b. Continue to integrate all aspects of housing assistance and development planning within the Consolidated Plan, consistent with the broader County General Plan and Development Code, and Community Plans in order to identify the existing inventory as well as proposed locations for affordable housing.

Objective: Encourage affordable housing projects in all unincorporated areas.

GOAL HE-8 Since the presence (or potential presence) of a homeless population is contrary to the County and State goal of a "suitable living environment" for each resident, the following action-programs shall be implemented:

Housing Program 8-a. Continue to quantify the homeless population within the County. Since this issue is multi-jurisdictional, and given the nature of the homeless population, coordination with the cities is necessary in achieving an accurate count.

Objective: Determine how many individuals lack housing.

Housing Program 8-b. Continue to participate in the County of San Bernardino Homeless Coalition in order to maintain optimum communication between County departments that provide services and resources to the homeless to facilitate a coordinated effort in solving this issue.

Objective: Continue to facilitate a coordinated effort within the County's organizational structure.

Housing Program 8-c. Based on the quantity and distribution of the homeless population, determine the additional need for emergency shelters and transitional housing opportunities.

Objective: Provide additional shelters and transitional housing opportunities as needed.

Housing Program 8-d. Determine the type of units and the price range of said units for each region within the County, to facilitate the provision of affordable long-term housing opportunities for the very low and low-income groups of the population.

Objective: Continue to provide for affordable long-term housing opportunities.

Housing Program 8-e. Continue to allow emergency and transitional shelters in any land use district with the appropriate permits, and concurrently develop the appropriate locational and design standards for such uses.

Objective: Continue to allow for emergency and transitional shelters in the County's regulatory system.

Housing Program 8-f. Transitional Housing Program and Homeless Services

Objective: Provide support to Continuum of Care System.

GOAL HE-9 Since of the various lifestyles and population characteristics of the County's residents, a variety and balance of housing types and densities shall be provided, through the General Plan Update, to require that all new planning area or specific plan studies provide housing types and densities commensurate with demonstrated lifestyles, projected needs, and population characteristics of the individual planning area.

Housing Program 9. Continue to evaluate and update the General Plan with reference to the County's housing needs.

Objective: Promote a variety of housing types in all unincorporated areas of the County.

GOAL HE-10 Since it is desirable to monitor housing programs to ensure coordination between the numerous responsible agencies (Department of Economic and Community Development, Land Use Services Department, and Housing Authority) and to track the success of the various housing programs, the following action-programs shall be implemented:

Housing Program 10-a. Prepare annual housing status reports on the state of housing in San Bernardino County for review and adoption by the Board of Supervisors on or before the second Monday in June, annually.

Objective: Coordinate County departments to work toward assessing and attaining goals, policies, and programs of the Housing Element.

Housing Program 10-b. Annually prepare and file Grantee Performance Reports with the Federal Department of Housing and Urban Development;

Objective: Continue to assess federally funded housing development projects.

Housing Program 10-c. Utilize the County's regional information mapping system to develop, collect and maintain a Regional Statistical Area specific database of housing-related data.

Objective: Store and retrieve housing-related information.

Housing Program 10-d. Develop a system to identify and monitor the conversion of vacation units, and new second and dependent units.

Objective: Study the effects of vacation home conversions on public service and infrastructure supply and new construction second and dependent units.

Housing Program 10-e. Monitor housing construction costs

Objective: Monitor the provision of housing affordable to all economic segments.

Housing Program 10-f. Monitor housing opportunities

Objective: Monitor the progress in providing housing opportunities.

Housing Program 10-g. Monitor progress addressing homeless issues

Objective: Monitor the progress in addressing homeless issues.

Housing Program 10-h. Census data review

Objective: Obtain, incorporate into existing data systems, and maintain usable population, employment, and housing data.

Housing Program 10-i. Monitor jobs/housing programs

Objective: Monitor success of programs designed to balance the jobs to housing opportunities.

GOAL HE-11 *Since it is desirable to optimize use of and limit adverse impacts on existing infrastructure and natural resources such as open space and air quality, more intensive residential development shall be encouraged in areas close to major transportation corridors where the infrastructure already exists and/or is underutilized, through the following action programs:*

Housing Program 11-a. Identify areas of underutilized and aging infrastructure through the County Geo-based Information Management System (GIMS), and investigate alternative financing mechanisms;

Objective: Identify areas of underutilized and aging infrastructure in order to encourage residential development in the most viable locations.

Housing Program 11-b. Explore the feasibility of determining specific criteria and guidelines for residential development in areas of underutilized and aging infrastructure.

Objective: Guide residential development to areas where existing infrastructure is underutilized, reducing further stress on aging infrastructure until those impacts can be corrected

Housing Program 11-c. Identify areas of the County where urban infill is appropriate, and encourage their development through the use of various incentives.

Objective: Guide residential urban infill development to areas of the County wherever appropriate.

Housing Program 11-d. In the unincorporated areas of the County, designate residential land use districts within close proximity (three to five miles) of major transportation corridors. The more intensive residential land uses (RS and RM) shall be designated in urbanized areas, and less intensive residential land uses (RS-1, RL-2.5, etc.) in the more rural areas.

Objective: Continue to reduce the length and number of vehicle trips, which in turn, reduces congestion and air pollutant emissions, while preserving the unique character of the individual regions.

Housing Program 11-e. Promote intensified residential development around transit nodes and along transit corridors throughout the County.

Objective: Continue to facilitate the use of public transit and reduce traffic congestion and vehicle emitted air pollution.

Housing Program 11-f. Throughout the County, continue to encourage mixed-use development through the Planned Development process which includes dense, multiple-family residential development as well as clustered, single-family residential development, and other uses which provide convenient shopping and employment opportunities close to major transportation corridors.

Objective: Continue to reduce the length and number of vehicle trips, encourage use of public transportation, reduce vehicle emissions, and provide for a variety of lifestyle choices located convenient to travel requirements.

GOAL HE-12 *Since there are existing areas lacking the necessary infrastructure that could be appropriate for residential development, the following action programs shall be pursued:*

Housing Program 12-a. Identify areas of insufficient housing where General Plan designations are underutilized due to insufficient infrastructure.

Objective: Identify areas with little residential development because of infrastructure constraints.

Housing Program 12-b. Throughout the County, study infrastructure development alternatives that would stimulate residential development;

Objective: Undertake infrastructure development where housing development will be optimized.

Housing Program 12-c. Utilizing the documents generated as part of the General Plan update, provide to the various serving entities, as requested, data regarding growth and infrastructure facilities necessary for their capital improvement planning efforts.

Objective: Improve infrastructure facilities in the County.

GOAL HE-13 *Since it is desirable to achieve a job-housing balance, which will further local and regional goals of improved air quality and traffic mobility, industrial and commercial development shall be targeted for areas of the County that have an adequate housing supply, and the following action-programs shall be implemented:*

Housing Program 13-a. Explore the feasibility of expanding the supply of commercially and industrially zoned land adjacent to those areas where there are predominately residential land uses;

Objective: Promote a balance between job opportunities and housing availability.

Housing Program 13-b. Provide the County Department of Economic and Community Development (ECD) with data in a summarized, easily usable format that identifies areas within the County where housing is most readily available. This data will assist ECD in promoting the economic viability of the County to potential commercial and industrial employers, and

Housing Program 13-c. Maintain liaison with the Department of Economic and Community Development (ECD) to provide ongoing updates of housing availability assessments for use by potential employers.

Objective: Continue to promote commercial and industrial development in the unincorporated areas of the County.

Housing Program 13-d. Facilitate a job/housing balance with the objective of a ratio of 1.2 jobs to 1 dwelling unit through coordination of effort between the County Land Use Services Department and Economic and Community Development Department to develop the necessary implementation strategies and procedures;

Objective: Provide a balance between jobs and housing at a ratio of 1.2 jobs to 1 dwelling unit.

Supplemental Goals and Objectives for the VVEDA Area are as follows:

Victorville RSA 32b

V-1 Housing Types

Objective: Singlewide mobile home parks and temporary dependent housing for affordability, provided compatible with surroundings.

V-2 Sensitive Areas

Objective: Discourage housing in the dry lakes.

V-3 Commercial and Industrial

Objective: Explore feasibility of expanding the supply of commercially and industrially zoned land where adequate housing supply exists and is underused.

8.0 HOUSING IMPLEMENTATION PLAN

This section develops the action plan to meet San Bernardino County's housing needs and Agency's obligations. The affordable housing requirements include:

1. Housing Set-Aside Fund
2. Housing Production (or Inclusionary Housing)
3. Replacement Housing

8.1 Housing Set-Aside Fund Requirement

The Agency must set aside in a separate Low and Moderate Income Housing at least 20 percent of all tax increment revenue generated from the County portion of the VVEDA project area. The Funds must be used for the purpose of increasing, improving, and preserving the community's supply of affordable housing. This housing must be available at affordable housing cost and occupied by households of very low, low, or moderate income.

State law requires that the Agency report the amount available in the Low and Moderate Income Fund and the estimated amounts that will be deposited into the Low and Moderate Income Housing Fund during each of the next 10 years (2004-2014).

The June 30, 2003 Independent Auditors Report indicates that the funds in the Low and Moderate Income Fund for the VVEDA Project.

Projected tax increments have been prepared by HdL Coren & Cone on December 10, 2003. These projections are for the San Bernardino County Area of the Victor Valley Economic Development Authority Amendment No. 3 Area. (See Appendix B). The 2003 Balance is from the June 30, 2003 Independent Auditors Report. The Housing Set Aside funds for the next 10 years are estimated as follows:

| Year | Housing Set Aside |
|--------------|-------------------|
| 2003 Bal. | \$215,225 |
| 2003-04 | \$41,000 |
| 2004-05 | \$44,000 |
| 2005-06 | \$46,000 |
| 2006-07 | \$49,000 |
| 2007-08 | \$52,000 |
| 2008-09 | \$55,000 |
| 2009-10 | \$58,000 |
| 2010-11 | \$60,000 |
| 2011-12 | \$63,000 |
| 2012-13 | \$67,000 |
| 2013-14 | \$70,000 |
| Total | \$820,225 |

8.2 Affordable Housing Cost

State law requires the Agency to use Housing Funds to assist units affordable to and occupied by very low-income households and low income households; the number, location and level of affordability of units newly constructed with other locally controlled government assistance and without Agency assistance and that are required to be affordable to, and occupied by, persons of low or very low income for at least 55 years for rental housing or 45 years for ownership housing; the amount of Housing Fund monies utilized to assist housing units available to families with children and the number, location, and level of affordability of those units.

Housing fund moneys must be used to increase, improve, and preserve housing availability to low- and moderate-income families at affordable cost. The definition of affordable cost is complex and is found in Section 50052.5 and implementing regulations.

Owner Occupied Housing - affordable housing costs for homeownership means housing that can be supported by costs less than or equal to 30 percent (35 percent for moderate income) of annual gross income at the following income levels:

| <u>Income Level</u> | <u>Housing Costs</u> | <u>Percent of Area Median Income</u> |
|---------------------|----------------------|--------------------------------------|
| Very Low Income | 30 percent x | 50 percent of area median income |
| Lower Income | 30 percent x | 70 percent of area median income |
| Moderate Income | 35 percent x | 110 percent of area median income |

Note: For purchasers, housing costs include principal and interest on a mortgage, property taxes and assessments, fire and casualty insurance, property maintenance and repairs, allowance for utilities and home owner association fees.

Rental Housing - affordable housing costs for rentals means housing that can be supported by costs less than or equal to 30 percent of annual gross income at the following income levels:

| <u>Income Level</u> | <u>Housing Costs</u> | <u>Percent of Area Median Income</u> |
|---------------------|----------------------|--------------------------------------|
| Very Low Income | 30 percent x | 50 percent of area median income |
| Lower Income | 30 percent x | 60 percent of area median income |
| Moderate Income | 30 percent x | 110 percent of area median income |

Note: For renters, the components for determining affordability include rent, allowance for utilities, fees and service charges assessed by lessor and charged to all tenants, and possessory interest taxes, or other fees charged by a party other than the lessor.

All of the amounts are adjusted for family size.

The affordability analysis for San Bernardino County as prepared by Willdan is as follows. The published median income for the County is \$54,300 for January 1, 2004.

| Year | Jan-04 San Bernardino Co. Median Income | Very Low | Low | Median | Moderate |
|----------------------|--|-------------|----------|----------|----------|
| State Rental Percent | | 50% | 60% | | 110% |
| State Owner Percent | | 50% | 70% | | 110% |
| 2004 Area Median | \$54,300 | | | | |
| 2004 State Rental | \$54,300 | \$27,150 | \$32,580 | \$54,300 | \$59,730 |
| 2004 State Owner | \$54,300 | \$27,150 | \$38,010 | \$54,300 | \$59,730 |

Analysis

2004 Rentals

| | | | | | |
|-----------------------|-----|--------------|--------------|----------------|----------------|
| Percent of Income | 30% | \$8,145 | \$9,774 | \$16,290 | \$17,919 |
| Monthly Rent/Expenses | | \$679 | \$815 | \$1,358 | \$1,493 |
| Utilities | 6% | \$40.73 | \$48.87 | \$81.45 | \$89.60 |
| Net Rent | | \$638 | \$766 | \$1,276 | \$1,404 |

2004 Home Purchase

| | | | | | |
|-----------------------------|--------|-----------------|------------------|------------------|------------------|
| Percent of Income | 30% | \$8,145 | \$11,403 | \$16,290 | |
| | 35% | | | | \$20,906 |
| Monthly Available | | \$679 | \$950 | \$1,358 | \$1,742 |
| Taxes & Insurance (Est.) | 15% | \$101.81 | \$142.54 | \$203.63 | \$261.32 |
| Maintenance/Repairs | 4% | \$27.15 | \$38.01 | \$54.30 | \$69.69 |
| Utilities | 8% | \$54.30 | \$76.02 | \$108.60 | \$139.37 |
| Net Available | | \$495 | \$694 | \$991 | \$1,272 |
| Mortgage Rate | 6% | | | | |
| Cost Per \$1,000 | \$6.00 | | | | |
| Loan Amount | | \$82,581 | \$115,614 | \$165,163 | \$211,959 |
| Down Payment | 10% | | | | |
| Down Payment Factor | 0.1111 | \$9,175 | \$12,845 | \$18,350 | \$23,549 |
| Purchase Price | | \$91,756 | \$128,458 | \$183,512 | \$235,507 |

Source: Willdan, March, 2004

8.3 Targeting Requirements

State law requires the Agency to target the number of housing units needed for very low, low- and moderate income persons as each of those needs have been identified in the most recent determination pursuant to Government Code Section 65584 (of the regional share of the Statewide housing need), and the proposed amount of expenditures from the Housing Fund for each income group during each year of the Housing Production Plan period.

Targeting requirements as stated above are more focused under AB 637. Spending must be targeted as calculated in dollars spent. Income, in at least the same ratios that very low, low, or moderate income households represent of total households in the County's Housing Element (Regional Housing Allocation from SCAG). (See Appendix C). Housing must also be targeted as to age, in the same proportion as the population under 65-years bears to the total population (families), and population 65 and over bears to the total population (Seniors). The following distribution is required for the County of San Bernardino.

| San Bernardino County | | |
|------------------------------|---------------|----------------|
| | Number | Percent |
| Very Low | 3,891 | 40% |
| Low | 2,626 | 27% |
| Moderate | 3,181 | 33% |
| | 9,698 | 100% |
| US Census - Over 65 | | 8.5% |

Source: SCAG, Willdan

New Affordability Covenants

Affordability covenants have been lengthened. The new affordability covenants are 45 years for Ownership Units and 55 years for Rental Housing Units.

Policies

The Agency shall document the characteristics of the historical affordability covenants and how they are being monitored. The Agency will make sure that covenants are properly recorded and name the County or Agency.

There are no historical affordable units within the County portion of the Project Area that are subject to affordable covenants.

The Agency will assure that affordability covenants on all units that will be assisted with Agency funds as of January 1, 2002 are consistent with AB 637 requirements, i.e., 45 years (owner occupied) or 55 years (rental).

The Agency will develop 26 major rehabilitation units and 2 units outside the project area over the next 10 years. These 28 units will be subject to the 55 year and 45 year affordability requirements.

The Agency will assure that Housing Funds will be leveraged from other sources of funding and be used to help bridge the funding gaps that cannot be covered through "other reasonable means of private or commercial financing."

The Agency Plan assumes that the 20 Percent Housing Fund will be leveraged 100 percent with other funds.

Agency will make a findings indicating that alternative sources of funding were sought, but none were available if more than 50 percent of the project funding for new or substantially rehabilitated housing comes from the Housing Fund.

The Agency will make these findings if they become necessary, however, the Agency currently plans to leverage the funds at least 50 percent.

8.4 Leverage Requirements of Housing Set-Aside Fund

Other funding sources that may be considered for leveraging of the Low and Moderate Income Housing Fund include the County Housing Element funding sources as follows:

Multi-Family Mortgage Revenue Bond Program

Bonds are used to finance construction, acquisition, and mortgage loans, as well as capital improvements for multi-family housing. A significant portion of the units in bond-funded projects must be set aside for persons or families whose income does not exceed 60 percent of the median household income for the area. In addition, at least half of the set aside units must be occupied by a person or families whose income does not exceed 50 percent of the household median income.

Single-Family Mortgage Revenue Bond Program

Bonds are issued to finance the purchase of new or resale homes. Proceeds from the bond sales are used to make mortgage loans to qualified low- and moderate-income buyers.

Lease Purchase Program

Lease Revenue Pass-Through Obligation bonds are issued by the California Cities Home Ownership Authority to fund a lease-purchase program that assist County residents in purchasing a home. Monthly payments equal to the mortgage are made for the first 3 years, after which the homebuyer assumes the mortgage payments.

Redevelopment Set- Aside Funds

Funds received from increased property taxes generated by property improvements sponsored by the Agency's six redevelopment project areas. Twenty percent (20%) of these property tax funds must be set aside for the development, preservation, or rehabilitation of affordable housing.

Housing Incentives Program (HIP)

The County offers developers density bonuses up to 25 percent for projects in which a specified percentage of the units are reserved for, and affordable to, very low-, low-, and moderate income households.

Priority in Permit Processing for Affordable Housing

Expedition of approval of developments that include affordable housing and reduction of processing times and cost for all housing developments.

Planning Area Studies

Direct and encourage construction of affordable housing in communities within the county through Planning Area Studies, which designate land uses, intensities, and densities for each area to accommodate a range of housing types within the constraints of infrastructure availability and environmentally sensitive conditions.

Public Housing

The Housing Authority of the County of San Bernardino owns and manages public housing for occupancy by low- and very low-income families.

Land Banking

The County has a policy of purchasing properties for affordable housing developments and of exchanging surplus county-owned land for sites in areas needing affordable housing. These sites are then used in conjunction with other subsidy programs.

Mainstream Program

Provide assisted housing to persons with disabilities to enable them to rent suitable and accessible housing on the private market.

Priority in Multi-Family Rehabilitation for Barrier-Free Housing

Multi-family developments containing 10 percent or more units that are designated to be accessible to the disabled are given first priority when evaluating applications for low-interest rehabilitation loans.

Family Unification Program

Promote family unification by providing housing assistance to families for whom the lack of adequate housing is a primary factor in the separation, or imminent separation of children from their families.

Insulation and Weatherization Program

The Community Services Department provides both labor and materials to insulate and weatherize the homes of households with incomes up to 150 percent of federal poverty line and, for seniors and the permanently disabled, up to 200 percent of poverty threshold.

California Department of Housing & Community Development Predevelopment Loan Program

Low interest loans for the development of affordable housing with non-profit agencies.

State Proposition 1A

Proposition 1A includes provisions to establish a Down-payment Assistance Program and a Rent Assistance Program using school fees collected from affordable housing projects. Potential buyers or tenants of affordable housing projects are eligible to receive assistance in the form of down-payment assistance or rent subsidies from the State at amounts equivalent to the school fees paid by the affordable housing developers for that project in question. This programs structure and implementation strategy has not yet been determined by the State of California.

State Emergency Shelter Program

Grants awarded to non-profit organizations for shelter support services.

California Housing Finance Agency (CHFA) Multiple Rental Housing Programs

Below market rate financing offered to builders and developers of multiple family and elderly housing. Tax-exempt bonds provide below market mortgage money.

California Housing Rehabilitation Program

Low interest loans for the rehabilitation of substandard homes owned and occupied by lower-income households. City and non-profits sponsor housing rehabilitation projects.

California Housing Finance Agency Home Mortgage Purchase Program

CHFA sells tax-exempt bonds to provide below-market loans to first time homebuyers. Program is operated through participating lenders that originate loans purchased by CHFA.

State Low-Income Housing Tax Credit (LIHTC)

Tax credits available to individuals and corporations that invest in low-income rental housing. Tax credits are sold to corporations and people with high tax liability, of which the proceeds are utilized for housing development.

State Building Code Enforcement Grants

Matching funds given to local governments to increase staffing dedicated to building code enforcement efforts.

State Farmworker Housing

Programs to finance the construction or rehabilitation of rental and owned housing for farmworker households, including pilot programs for using manufactured housing, upgrading substandard housing, and integrating health services with housing. Also for repairs and reconstruction for State-owned migrant housing.

CalHome Program

Provides loans and grants to local governments for a variety of homeowner assistance programs.

State Jobs-Housing Balance

Provides funds for an innovative program to encourage local governments to increase permits for housing production. The program will reward communities that issue more permits by providing grants for capital amenities that may mitigate the impact of new housing. Rewards will be structured to favor in-fill and higher density development in areas with increasing employment. Also includes funds for predevelopment loans to help developers of affordable housing start new projects.

State Inter-Regional Planning

Allocates funds from the Housing Rehabilitation Loan Fund for collaborative work by a county in partnership with the state and federal governments, two or more councils of governments, and/or two or more subregions within a multi-county council of governments, to mitigate interregional impacts of substantial imbalances of jobs and housing.

State Downtown Rebound

Provides funds for infill and conversion of commercial buildings for “live-work.”

State Self Help Housing

Provides funds for low-income owner-builders who contribute significant sweat equity.

State Teacher Home Purchase

Implemented by the California Debt Limit Allocation Committee (CDLAC), this program provides homeownership assistance for eligible teachers and principals who commit to serve for 5 years in a California low performing school. This program provides incentives to eligible teachers and principals with a housing reduction of their federal income taxes through a tax credit (mortgage credit) or a reduced interest rate mortgage loan.

Community Development Block Grant (CDBG)

Entitlement program that is awarded to the County on a formula basis. The objectives are to fund housing activities and expand economic opportunities. Project must meet one of three national objectives: benefit low- and moderate-income persons; aid in the prevention or elimination of slums or blight; or meet other urgent needs.

HOME Investment Partnership (HOME) Program

Grant program for housing. The intent of this program is to expand the supply of decent, safe, and sanitary affordable housing. HOME is designed as a partnership program between the federal, state, and local governments, non-profit and for-profit housing entities to finance, build/rehabilitate and manage housing for lower-income owners and renters.

Housing Opportunities for Persons with AIDS (HOPWA)

Funds are made available countywide for supportive social services, affordable housing development, and rental assistance.

Emergency Shelter Grants (ESG)

Annual grant funds are allocated on a formula basis. Funds are intended to assist with the provision of Cold Weather shelter services for homeless.

State Section 203K Insured Loans

HUD insures lenders against loss on rehabilitation loans. Households earning up to 120 percent of the median income are eligible.

State Permanent Housing for the Handicapped

Provides funding to private nonprofit and public housing agencies for development of affordable housing for disabled homeless persons. HUD will provide up to 50 percent of total project costs.

Federal Supportive Housing Grant

Grants to improve quality of existing shelters and transitional housing. Increase shelters and transitional housing facilities for the homeless.

Federal Section 8 Rental Assistance

Rental assistance program which provides a subsidy to very low-income families, individuals, seniors and the disabled. Participants pay 30 percent of their adjusted income toward rent.

Federal Section 202

Grants to non-profit developers of supportive housing for the elderly.

Federal Section 811

Grants to non-profit developers of supportive housing for person with disabilities, including group homes, independent living facilities and intermediate care facilities.

Federal Low-Income Housing Credit (LIHTC)

Program encourages the investment of private capital for the creation of affordable rental housing for low-income households. Tax credits are available to individuals and corporations who invest in such projects.

Federal Shelter Care Plus

Provides grants for rental assistance for permanent housing and case management for homeless individuals with disabilities and their families.

Federal Home Ownership for People Everywhere (HOPE)

HOPE program provides grants to low income people to achieve homeownership. The three programs are: *HOPE I*—Public Housing Homeownership Program *HOPE II*—Homeownership of Multi-Family Units Program *HOPE III*—Homeownership for Single-Family Homes.

Federal Section 108 Loan

Provides loan guarantee to CDBG entitlement jurisdictions for pursuing large capital improvement or other projects. The jurisdiction must pledge its future CDBG allocations for loan repayment. Maximum loan amount can be up to five times the entitlement jurisdiction's most recent approved annual allocation. Maximum loan term is 20 years.

Federal Economic Development Initiative Grant

\$500,000 for the Shack Attack Program as part of the 1998-1999 HUD/VA Appropriations Bill.

Federal Neighborhood Initiative Program (NIP) Grant

Use federal funds to revitalize neighborhoods and eradicate blight.

Federal National Mortgage Association (Fannie Mae) ▪

Fannie Neighbor – Under served low-income minorities are eligible for low down payment mortgages for the purchase of single-family homes.

California Community Reinvestment Corporation (CCRC)

Non-profit mortgage banking consortium that pools resources to reduce lender risk in financing affordable housing. Provides long-term debt financing for affordable multi-family rental housing.

Federal Home Loan Bank Affordable Housing Program

Direct subsidies to non-profit and for-profit developers, and public agencies for affordable low-income ownership and rental projects.

SAMCO Loan Pools

The Savings Association Mortgage Company has created a loan pool for use in affordable housing development and rehabilitation. Through the pool, 30-year permanent loans for affordable housing are available for persons earning up to 120 percent of the median income.

Levels of Leveraging

The total projected Housing Funds for the 10-year period is \$820,225,000. If the Housing Fund is leveraged 100 percent the total funds would be \$1,640,450. While additional funds may become available, this Housing Plan will be based on a leveraged level of at least \$1,640,450. The following table shows what levels of funding would be available at a 100 percent increase, a 150 percent increase, and a 200 percent increase.

Projected Leveraged Housing Funds

| Year | Housing Set Aside | 100 Percent | 150 Percent | 200 Percent |
|--------------|-------------------|--------------------|--------------------|--------------------|
| 2003 Bal. | \$215,225 | \$430,450 | \$645,675 | \$860,900 |
| 2003-04 | \$41,000 | \$82,000 | \$123,000 | \$164,000 |
| 2004-05 | \$44,000 | \$88,000 | \$132,000 | \$176,000 |
| 2005-06 | \$46,000 | \$92,000 | \$138,000 | \$184,000 |
| 2006-07 | \$49,000 | \$98,000 | \$147,000 | \$196,000 |
| 2007-08 | \$52,000 | \$104,000 | \$156,000 | \$208,000 |
| 2008-09 | \$55,000 | \$110,000 | \$165,000 | \$220,000 |
| 2009-10 | \$58,000 | \$116,000 | \$174,000 | \$232,000 |
| 2010-11 | \$60,000 | \$120,000 | \$180,000 | \$240,000 |
| 2011-12 | \$63,000 | \$126,000 | \$189,000 | \$252,000 |
| 2012-13 | \$67,000 | \$134,000 | \$201,000 | \$268,000 |
| 2013-14 | \$70,000 | \$140,000 | \$210,000 | \$280,000 |
| Total | \$820,225 | \$1,640,450 | \$2,460,675 | \$3,280,900 |

The distribution of the Leveraged Funds based on income and age level should be as follows:

| Year | 100 Percent | Very Low 40% | Low 27% | Moderate 33% | Senior 8.50% |
|--------------|--------------------|------------------|------------------|---------------------|------------------|
| 2003 Bal. | \$430,450 | \$172,180 | \$116,222 | \$142,048.50 | \$36,588 |
| 2003-04 | \$82,000 | \$32,800 | \$22,140 | \$27,060.00 | \$6,970 |
| 2004-05 | \$88,000 | \$35,200 | \$23,760 | \$29,040.00 | \$7,480 |
| 2005-06 | \$92,000 | \$36,800 | \$24,840 | \$30,360.00 | \$7,820 |
| 2006-07 | \$98,000 | \$39,200 | \$26,460 | \$32,340.00 | \$8,330 |
| 2007-08 | \$104,000 | \$41,600 | \$28,080 | \$34,320.00 | \$8,840 |
| 2008-09 | \$110,000 | \$44,000 | \$29,700 | \$36,300.00 | \$9,350 |
| 2009-10 | \$116,000 | \$46,400 | \$31,320 | \$38,280.00 | \$9,860 |
| 2010-11 | \$120,000 | \$48,000 | \$32,400 | \$39,600.00 | \$10,200 |
| 2011-12 | \$126,000 | \$50,400 | \$34,020 | \$41,580.00 | \$10,710 |
| 2012-13 | \$134,000 | \$53,600 | \$36,180 | \$44,220.00 | \$11,390 |
| 2103-14 | \$140,000 | \$56,000 | \$37,800 | \$46,200.00 | \$11,900 |
| Total | \$1,640,450 | \$656,180 | \$442,922 | \$541,348.50 | \$139,438 |

Affordability

| | | | |
|--------|----------|-----------|-----------|
| Rental | \$638 | \$766 | 1404 |
| Owner | \$91,756 | \$128,458 | \$235,507 |

Considering the cost of rentals and housing prices in the VVEDA Project Area approximately \$1,099,102 (\$656,180 + 442,922) of leveraged funds (\$549,551 of Housing Funds) should be used over the next 10 years for the development of rental housing program. Of this \$139,438 of the leveraged funds (\$69,719 of Housing Funds) could be used for senior housing. This would most likely also be in the rental category.

Leveraged Housing Funds devoted to single-family ownership could amount to \$541,348 (\$270,674 of Housing Funds). This could include a variety of programs, including silent seconds and/or on or off-site improvements.

The County could infuse a portion of these housing funds into the existing Housing Programs if they meet this Housing Plan's requirements. The County Programs are summarized in Appendix D.

The four other jurisdictions of the Victor Valley Economic Development Authority, Adelanto, Victorville, Hesperia and Apple Valley will be doing their own housing programs with their own housing funds.

8.5 Housing Production Requirement

There are two main housing production obligations that Agencies must comply with:

1. Agency Developed Housing
2. Non-Agency Developed Housing

8.5.1 Housing Production-Agency Developed Units

At least 30 percent of all new or substantially rehabilitated dwelling units developed directly by the Agency must be available at affordable housing cost to persons and families of very low, low, or moderate income.

Of those units, at least 50 percent must be affordable to very low income households (equal to 15 percent of Agency developed dwelling units).

This requirement does not apply to units developed by housing developers pursuant to agreements with the Agency.

Agency alternatives that have been considered include (1) a Rehabilitation Emphasis, (2) a Demolition Emphasis, (3) a Demolition with Outside the Project Area Emphasis and (4) a Recommended Alternative.

For each alternative Minor Rehabilitations assume \$5,000 per unit, Major Rehabilitations assume \$50,000 per unit, Demolition units assume \$118,600 per unit (including structure acquisition and relocation expenses) and Replacement Units at \$100,000. The leveraged funding level is used as the basis of each Program Alternative.

The Alternatives are as follows:

VVEDA Housing Alternatives

| Rehabilitation Emphasis Alternative | | Minor Rehabs | Major Rehabs | Demolition | Replacement | Outside | Cost |
|--|-------------|-----------------|-----------------|------------|-------------|---------|-------------|
| Minor Rehabilitation | \$5,000 | 17 | | | | | \$85,000 |
| Major Rehabilitation | \$50,000 | | 18 | | | | \$900,000 |
| Demolition | \$118,600 | | | 3 | | | \$355,800 |
| Units in Project Area | \$100,000 | | | | 3 | | \$300,000 |
| Outside Units (1) | \$100,000 | | | | | 0 | \$0 |
| Total 10 Year Funds | \$1,640,450 | | | | | | \$1,640,800 |

| Demolition Emphasis Alternative | | Minor Rehabs | Major Rehabs | Demolition | Replacement | Outside | Cost |
|--|-------------|-----------------|-----------------|------------|-------------|---------|-------------|
| Minor Rehabilitation | \$5,000 | 2 | | | | | \$10,000 |
| Major Rehabilitation | \$50,000 | | 2 | | | | \$100,000 |
| Demolition | \$118,600 | | | 7 | | | \$830,200 |
| Units in Project Area | \$100,000 | | | | 7 | | \$700,000 |
| Outside Units (1) | \$100,000 | | | | | 0 | \$0 |
| Total 10 Year Funds | \$1,640,450 | | | | | | \$1,640,200 |

| Demolition Outside Alternative | | Minor Rehabs | Major Rehabs | Demolition | Replacement | Outside | Cost |
|---------------------------------------|-------------|-----------------|-----------------|------------|-------------|---------|-------------|
| Minor Rehabilitation | \$5,000 | 0 | | | | | \$0 |
| Major Rehabilitation | \$50,000 | | 1 | | | | \$50,000 |
| Demolition | \$118,600 | | | 5 | | | \$593,000 |
| Units in Project Area | \$100,000 | | | | 0 | | \$0 |
| Outside Units (1) | \$100,000 | | | | | 10 | \$1,000,000 |
| Total 10 Year Funds | \$1,640,450 | | | | | | \$1,643,000 |

| Recommended Alternative | | Minor Rehabs | Major Rehabs | Demolition | Replacement | Outside | Cost |
|--------------------------------|-------------|-----------------|-----------------|------------|-------------|---------|-------------|
| Minor Rehabilitation | \$5,000 | 25 | | | | | \$125,000 |
| Major Rehabilitation | \$50,000 | | 26 | | | | \$1,300,000 |
| Demolition | \$118,600 | | | | | | \$0 |
| Units in Project Area | \$100,000 | | | | | | \$0 |
| Outside Units (1) | \$100,000 | | | | | 2 | \$200,000 |
| Total 10 Year Funds | \$1,640,450 | | | | | | \$1,625,000 |

| Summary of Alternatives | | Minor Rehabs | Major Rehabs | Demolition | Replacement | Outside | Cost |
|-------------------------------------|-------------|-----------------|-----------------|------------|-------------|---------|-------------|
| Rehabilitation Emphasis Alternative | | 17 | 18 | 3 | 3 | | \$1,640,800 |
| Demolition Emphasis Alternative | | 2 | 2 | 7 | 7 | | \$1,640,200 |
| Demolition Outside Alternative | | 0 | 1 | 5 | 0 | 10 | \$1,643,000 |
| Recommended Alternative | | 25 | 26 | 0 | 0 | 2 | \$1,625,000 |
| Total 10 Year Funds | \$1,640,450 | | | | | | |

Policies

- a. *The Agency will calculate the percentage of Housing Funds as percentage of total development cost for all new and substantial rehabilitated developments.*

When the Agency undertakes its specific major rehabilitation projects it will determine that 25 percent of the completed market value of the unit, including land value, is achieved. Under the Agency Plan \$50,000 per unit is budgeted. If this is the actual amount for a specific unit, the completed unit value would be valued at \$200,000.

- b. *The Agency will establish a procedure for making findings if Agency must spend more than 50 percent of the project funding for new or substantially rehabilitated housing.*

Pursuant to the Agency Plan, less than 50 percent of the available funds will be used for rehabilitations.

- c. *The Agency will assure that infrastructure improvements to be paid out of the Housing Fund are consistent with new requirements of AB 637, which is State legislation passed in 2001 to increase housing obligations and flexibility in the use of the 20% housing set-aside funds.*

Under the Agency Plan, the Agency may use its replacement housing funds for infrastructure improvements, subject to the requirements of law. These are discussed further below.

- d. *State law requires the Agency to estimate the number of Agency developed residential units which will be developed during the next 10 years, if any, which will be governed by 33413(b)(1).*

Under the Agency Plan a minimum of 2 units will be developed over the next 10 years that will be subject to the above requirements.

- e. *State law requires the Agency estimate the number of new, rehabilitated, or price restricted units to be assisted during each of the next 10 years and estimates the expenditures of moneys from the Low- and Moderate-Income Housing Fund during each of the 10 years.*

The Recommended Alternative is for 25 minor rehabilitations, 26 major rehabilitations, and 2 units developed outside the Project Area.

On and Off-Site Improvements

On and off-site improvements assisted from the Housing Fund must be a "reasonable and fundamental component" of a new construction or rehabilitation housing development for low- and moderate- income persons who are directly benefited from them. The maximum percentage of total cost paid by the Agency is determined either by:

- (a) Housing project,
- (b) Dividing the number of housing units that are affordable to low or moderate income persons by the total number of housing units, or
- (c) Non-housing project- dividing cost of the affordable housing units by total cost of development.

8.5.2 Housing Production-Non Agency Developed

State law requires the Agency to estimate the number of very low, low- and moderate-income households required to be developed within the Project Area in order to meet the requirements of Section 33413(b)(2) of the CRL, both over the life of the Redevelopment Plan and during the next 10 years.

At least 15 percent of all dwelling units newly developed or substantially rehabilitated must be available at affordable housing cost to persons and families of very low, low, or moderate income.

Of those affordable units, at least 40 percent must be affordable to very low-income households (equal to 6 percent of total dwelling units).

These requirements apply to all private development that will take place within the VVEDA Project Area. Based on the number of acres, the current Zoning of the properties, historical development trends and the remaining life of the Redevelopment Plan, the following number of units are anticipated to be developed over the remaining life of the Plan.

| Land Use | Zone | Original Project (1) Acres | 4th Amendment Acres(2) |
|-----------------------------|----------------|---------------------------------------|-----------------------------------|
| Rural Living 5 | RL-5 | | 4,030 |
| Resource Conservation | RC | | 2,220 |
| | | | <hr/> 6,250 |
| Category | Parcels | Lot Area | Lot Area (2) |
| Residential | 26 | | 253 |
| Vacant | 358 | | 5,532 |
| | | | <hr/> 5,785 |
| Potential Units | | | |
| Rural Living 5 | | | 4,030 |
| Less Existing Units | 26 | | 253 |
| Net Residential Acres | | | 3,777 |
| Units at 1 per 5 acres | | | 755 |
| Housing Requirements | | | |
| Total Units | | | 755 |
| 15 Percent Low Mod | | | 113 |
| 40 Percent Very Low | | | 45 |

Ten Year Maximum Units**Estimate @ 25%**

| | |
|---------------------|-----|
| Total Units | 189 |
| 15 Percent Low Mod | 28 |
| 40 Percent Very Low | 11 |

Life of Plan Maximum Units**Estimate @ 50%**

| | |
|---------------------|-----|
| Total Units | 378 |
| 15 Percent Low Mod | 57 |
| 40 Percent Very Low | 23 |

(1) The County land uses for the Original Project Area were not calculated at the time of the adoption of the Plan in 1993.

(2) Tom Dodson & Associates, Final Subsequent EIR, Fourth Amendment, Table 4.2-1, Page 4-6

(3) I.B.I.D. Table 4.2-2, Page 4-7

For those areas that are located in the County, the Agency is required to either enter into Disposition and Development Agreements or Owner Participation Agreements that include the required affordability requirements and the affordability duration's, of 55 years for rentals and 45 years for owners, or as an alternative the Agency could develop its own units to meet this requirement. The Agency should require the County Planning Department to refer development proposals within the County portion of the VVEDA Project Area to the Agency for further review in order to comply with this requirement.

8.6 Housing Production-Substantial Rehabilitation

Only units, multi-family or single-family, that are substantially rehabilitated using Agency assistance will count towards housing production. Substantially rehabilitated units mean all units substantially rehabilitated with Agency assistance the value of which constitutes 25 percent of the after rehabilitation value of the dwelling inclusive of the land value. Substantial rehabilitation would be \$50,000 of a home that sold for \$200,000.

Substantially rehabilitated units that are not assisted by the Agency would not be counted to determine the housing production requirement, nor could be counted to meet this requirement.

8.7 Housing Production Plan Requirements

The Housing Production Plan required time frames are as follows:

- The next 5 years (through FY ending 2004), (Past)
- The next 10 years (FY ending 2005 through 2014) (Present Plan), and
- The life of the plan (FY ending 2015 onward)

As part of this 10 Year Implementation Plan, the Agency must adopt a Housing Production Plan. The plan must be consistent with the County's Housing Element. The plan must be reviewed every 5 years in conjunction with the update of the County's Housing Element or with the Implementation Plan cycle.

Housing Production Plan Components

The detailed schedule of actions the Agency is undertaking or intends to undertake to insure the expenditure of the Housing Fund in the proportions required by CRL Section 33334.4 is as follows:

1. Infill Acquisition and Rehabilitation. For various residential locations throughout the County portion of the VVEDA Project Area, the County Redevelopment Agency proposes to acquire 10 or more vacant and dilapidated properties for build out or substantial rehabilitation. Included in these programs are the improvements to surrounding public improvements. In exchange the County Redevelopment Agency's assistance, each benefiting residential unit will carry a 55-years affordability covenant.

Total Estimated Cost: \$550,000
Housing Fund \$275,000
Other Funds \$275,000

2. Multi-Family Apartment Programs. To assist the County Redevelopment Agency in meeting its inclusionary housing requirements, the County Redevelopment Agency proposes to assist the financing of low- and moderate-income, multi-family housing communities by offsetting the private development costs through its construction of public infrastructure. This assistance can also include the County Redevelopment Agency constructing multi-family units for ownership. Such assistance will include:

- Land Acquisitions
- Environmental
- Public Utilities-Electric, Water, Natural Gas, Sewer, Storm Drains, Cable
- Public Streets within the VVEDA Redevelopment Project Area
- Street Lights
- Curb, Gutter and Sidewalk
- Civil Engineering
- Construction of at least 5 units at \$100,000 per unit.

Total Estimated Cost: \$550,000
Housing Fund: \$275,000
Other Funds: \$275,000

3. Single-Family Public Infrastructure Improvements. To assist the County Redevelopment Agency in meeting its inclusionary housing requirements, the County Redevelopment Agency proposes to assist the financing of affordable single-family housing units by offsetting the private development costs through its construction of public infrastructure. Such assistance will include:

- Land Acquisitions
- Environmental
- Public Utilities-Electric, Water, Natural Gas, Sewer, Storm Drains, Cable
- Public Streets within the VVEDA Redevelopment Project Area
- Street Lights
- Curb, Gutter and Sidewalk
- Civil Engineering

Total Estimated Cost: \$540,450
Housing Funds: \$270,674
Other Funds \$270,674

Over the life of the Plan the amount of funding and the number of units developed will be three times the above numbers. These funds must be expended in accordance with the Targeting Requirements of Section 8.3 of this report.

Policies

- a. *The Agency will project the number of units that the Agency will develop itself, as well as the number that will not be developed by the Agency, during the time periods of the plan, including the number of affordable housing units by qualifying income level located within and outside the project area.*

The Agency will develop 5 or more units over the life of the Plan. Private enterprise will build up to 378 units within the Project Area over the life of the Plan. Of these a minimum of 57 units will be developed and covenanted for low and moderate incomes and of these 23 units will be developed and covenanted for very low-income households.

- b. *The Agency will only purchase covenants that apply only for low- and very low-income units.*

The Agency does not envision the purchase of covenants at this time.

- c. *The Agency or County must engage affordability covenants for assisted units that meet an extended minimum period of 55 years for rental units and 45 years for owner-occupied units.*

- d. The Agency does not envision the purchase of covenants at this time.

- d. *The Agency will not terminate a project area without fulfilling its housing production responsibilities.*

8.8 Outside Project Area Credit

The Agency can elect to satisfy production obligation by constructing units outside the Project Area on a 1:2 credit basis. AB 637, State legislation passed in 2001, made this provision permanent.

8.9 Inclusionary Housing Program Option

This option housing program, is typically adopted as part of the zoning ordinance, that requires developers to dedicate a certain percentage of new homes to qualifying households at affordable housing cost for a specified duration of time. This Option will be used by the Agency in the event that it does not produce the required housing itself. This program will include the following:

- a. The Agency will encourage more on-site production of inclusionary housing units that will also meet Agency's production requirements.
- b. The Agency will allow developers to dedicate fully improved sites in lieu of building units.
- c. The Agency will leverage in-lieu fees to secure new sites.
- d. The Agency will connect inclusionary housing programs more closely to the Agency's Housing Compliance (production) Plan.

- e. Inclusionary Housing Program Steps include: (1) Building a consensus around the need for an inclusionary housing program, (2) Analyzing the County housing needs, (3) Calculating the affordability gap between what households at various income levels can afford to pay and the cost of rental and ownership housing, (4) Evaluating the various program options, and (5) Working with community and elected representatives to create an implementable program.

8.10 Replacement Housing Requirement

When residential units sheltering households earning at or below 120 percent of median income are destroyed or removed, or are no longer affordable due to Agency action, an Agency must replace those units within 4 years with replacement units which have an equal or greater number of bedrooms.

The Agency must adopt by resolution a replacement housing plan at least thirty days prior to acquiring property or adopting an agreement that will lead to the destruction or removal of low- and moderate-income housing units. The Plan generally describes the location, timing, and method for provision of replacement housing.

100 percent of the replacement housing (vs. 75%) must be affordable to same income categories as the persons displaced from the destroyed or removed units. Displaced households have priority to rent or buy any housing units made available pursuant to the production (or inclusionary) housing requirements.

The Agency does not intend to purchase or destroy any low or moderate-income units within the County portion of the VVEDA Project Area.

8.11 Coherent Approach

The Agency has developed a coherent approach to meeting all of its housing obligations. The Agency has approved this Housing Implementation and Production Plan, as well as, the County Housing Element, the County HUD Consolidated Plan and the County Operating Budget.

8.12 Adoption by Agency Board

This 10-Year Housing Implementation Plan was adopted by the Agency Board on September 14, 2004.

APPENDIX A
MAP OF COUNTY REDEVELOPMENT AREA

APPENDIX B
TAX INCREMENT PROJECTIONS

APPENDIX C
SCAG REGIONAL HOUSING NEEDS

APPENDIX D
COUNTY HOUSING PROGRAMS

APPENDIX E
HOUSING SALES
REALTOR.COM

APPENDIX F
RENTAL HOUSING UNITS
REALTOR.COM